

NOMINATION OF WAYNE A. ABERNATHY

HEARING
BEFORE THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED SEVENTH CONGRESS
SECOND SESSION
ON
NOMINATION OF WAYNE A. ABERNATHY, OF VIRGINIA, TO BE ASSISTANT
SECRETARY OF THE TREASURY FOR FINANCIAL INSTITUTIONS

SEPTEMBER 12, 2002

Printed for the use of the Committee on Banking, Housing, and Urban Affairs



U.S. GOVERNMENT PRINTING OFFICE

82-475 PDF

WASHINGTON : 2002

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
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**NOMINATION OF
WAYNE A. ABERNATHY, OF VIRGINIA
TO BE ASSISTANT SECRETARY OF THE
TREASURY FOR FINANCIAL INSTITUTIONS**

THURSDAY, SEPTEMBER 12, 2002

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 2:45 p.m., in room SD-538 of the Dirksen Senate Office Building, Senator Paul S. Sarbanes (Chairman of the Committee) presiding.

OPENING STATEMENT OF CHAIRMAN PAUL S. SARBANES

Chairman SARBANES. The Committee will come to order.

This afternoon, we will first hold a hearing on the nomination of Wayne A. Abernathy to be Assistant Secretary of the Treasury for Financial Institutions.

Upon the completion of that hearing, the Committee will then proceed to a mark-up session to consider the FHA Downpayment Simplification Act, the Native American Housing Assistance and Self-Determination Act, and to consider the nomination of Mr. Wayne A. Abernathy, whose hearing would have been completed shortly before.

I will just be very brief in my opening statement here.

Wayne Abernathy is well known to all Members of the Committee. He has faithfully and loyally served the Committee with distinction since July 1981, more than 20 years now, in a variety of positions, including Full Committee Staff Director, Minority Staff Director, Staff Director of the Securities Subcommittee, an economist for the Subcommittee on International Finance and Policy, the Republican Economist on the Committee—I always thought that was Senator Gramm, but it was really Wayne Abernathy.

[Laughter.]

Wayne has been involved in every major piece of legislation which has been considered by the Committee since 1981. Some of those in which he has had the most direct impact include Gramm-Leach-Bliley, the National Securities Markets Improvement Act, revisions to the Export Administration Act, the Securities Litigation Reform Act, and I could just go through the entire list.

He has been very intimately involved with the legislative product of this Committee. Throughout his career, he has had a deep interest in international trade and finance issues, and I am proud to

say, he is a graduate of Johns Hopkins University and the Johns Hopkins School of Advanced International Studies.

I think it is a fair to say that he is a consummate professional, straightforward, honest, loyal to his principles and his party. He is smart, hard-working. He has always fulfilled his duties in a fashion that I think exemplifies the highest traditions of the Senate.

I regard him as very well qualified to be the Assistant Secretary of Treasury for Financial Institutions. That office, of course, coordinates the Department's efforts regarding financial institutions and securities markets and their regulation. It also coordinates the Department's efforts on financial education, on which this Committee has placed a great deal of emphasis.

We look forward to working with Wayne in his capacity as the Assistant Secretary for Financial Institutions.

We will miss him here on the Committee, but obviously, I wish him well in his new job.

Senator Gramm.

STATEMENT OF SENATOR PHIL GRAMM

Senator GRAMM. Well, thank you, Mr. Chairman. I do not quite know what I can say about this good man, other than a famous philosopher once said—in no way can you get a keener insight into the nature of a leader than by looking at the people with whom he surrounds himself.

I have always been very proud to have people judge me by Wayne Abernathy.

The plain truth is that everyone who has ever been in the Senate knows that often the Senator is simply the front guy. And for all practical purposes, when I was Chairman, Wayne Abernathy was Chairman of the Committee.

All of the daily details, all of the work, he was always on top of everything. I can say that in all the years that I worked with Wayne, I have never heard him say or seen him do anything that was not honorable.

So, I am very excited about this opportunity for him to serve. I have no doubt that he will reflect well on the Administration. I have no doubt that he will do a great job. And I am just grateful that I had an opportunity to work with Wayne.

Wayne, I want to thank you for the great job you did as the Staff Director and Minority Staff Director and all these other positions. In fact, Wayne started here as an intern.

Just one other thing I would like to say. I probably ought not to say this. My mother will hear it and I will hear no end of it. But when the FBI agent came to ask me about Wayne, his first question was: Can you tell me something about Wayne's moral character?

And so, I thought a minute and I started my answer by saying, I never knew Jesus.

[Laughter.]

But Wayne Abernathy is about as close in terms of character as I have come.

Mr. ABERNATHY. Thank you, Senator.

Chairman SARBANES. Well, that is a heavy thing to hang on somebody.

[Laughter.]

Senator BUNNING. That is heavy.

[Laughter.]

Senator SCHUMER. Vote, Mr. Chairman. What more can be said?

[Laughter.]

Chairman SARBANES. Before we go to the nominee's statement, as he well knows, it is the custom in this Committee to place our nominees under oath. I am going to ask him to stand and take the oath.

Do you swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ABERNATHY. I do.

Chairman SARBANES. Do you agree to appear and testify before any duly-constituted committee of the U.S. Senate?

Mr. ABERNATHY. I do.

Chairman SARBANES. Thank you very much. We would be happy to hear your statement.

**STATEMENT OF WAYNE A. ABERNATHY, OF VIRGINIA
TO BE ASSISTANT SECRETARY OF THE TREASURY
FOR FINANCIAL INSTITUTIONS**

Mr. ABERNATHY. If I could, Mr. Chairman, I would like to begin by introducing my family, most of which is here today.

Chairman SARBANES. We would love for you to do that.

Mr. ABERNATHY. My wife, Cindy. And she has brought two of my daughters and two of my sons with her. My second-oldest daughter is Cindy, named for her mother. My daughter Katie. And my son Joseph. And my son Peter, who is being very good today.

[Laughter.]

Chairman SARBANES. Terrific.

Mr. ABERNATHY. My oldest daughter would have been here, but she is in Provo, Utah right now where she is a sophomore at Brigham Young University.

We are going to tape this and send it to her.

Chairman Sarbanes, Senator Gramm, and Members of the Committee, by custom, my first task should be to thank you for holding this hearing on my nomination, and for doing so in an expedited fashion—and I am indeed grateful for that—but I would like to take the liberty to depart from that custom. I would begin by thanking you and the Members of this Committee for the privilege I have had over the last 20 years to serve you and the many other Senators who have also been Members of this Committee, and to thank you for the many considerations that you have extended to me during that time. I would tender that appreciation also to my colleagues on the staff, from my first staff director, Chairman Jake Garn's Chief of Staff, Danny Wall, to Steve Harris today, and to the many talented and dedicated professionals who have worked with us during that time.

I am reminded of a frequent comment that one of my colleagues on Senator Jake Garn's staff used to make. She liked to say to us that it was such a privilege to work for the U.S. Senate that we should be working for free. I understood the power of her sentiment, but I resisted her prescription.

[Laughter.]

Senator Gramm has taken that concept a step further. He occasionally remarks to the staff that we are learning so much here in the Senate that we should be paying tuition.

[Laughter.]

Again, there is great force in that idea, and again, I resist the implications.

[Laughter.]

I have been in Senator Gramm's graduate program now for 15 years. And until today, I have been able to avoid graduation. And there is no possibility that I could ever cover the value of the education that I have received.

It was Senator Gramm who said, "If you are willing to tackle the tough issues, you do not need to worry about stepping on anyone's toes; they will stand aside and shove you to the front." It has been a real pleasure working with Senator Gramm on the tough issues.

The Senate, in addition to many things, is a great academy. It is as much a place of learning as it is a place of doing. And it is the learning and the doing that I believe qualify me for the next step before me.

And so I express my gratitude to President Bush, with a mixture of pride and humility, for extending to me the opportunity to serve the people of this Nation in a new and challenging capacity.

I am eager to begin work with this Administration and the team of outstanding people that President Bush has brought together. I am grateful for the support that I have received from Treasury Secretary O'Neill, from Deputy Secretary Dam, and from Under Secretary Fisher. Having worked from the late 1970's until now on the making of laws affecting our financial institutions, I feel prepared to become involved in the administration of those laws, with the keen insight of experience into the intentions of the Congress in the making of those laws.

In one of the several interviews that I went through for this job, the discussion moved to my feelings about the Congress. My thoughts turned to a time, when I was just a young, rather junior member of the staff of this Committee. I was thinking of a warm evening, when I had left the Capitol building to walk back to my office. Rather than going underground, I walked outside. The Senate had just ended the day, passing legislation that I had been working on—I think that it was a bill amending the Export Administration Act—we are still working on that.

[Laughter.]

It was one of those beautiful nights, with the white dome of the Capitol shining against the dark sky—we have all seen that. And while I was charmed by the beauty of that scene, I was even more exhilarated by the experience I had just left. I was thrilled by the thought, by the overwhelming sense of the power of the Constitution, that it works, that 100 men and women, from all parts of the country, elected by their fellow citizens to represent their various States, had come together here and made a decision that was now the law of the land for over 200 million people. That thought still exhilarates and charms me. It has been a privilege to have lent a hand in that process.

With this deep and broad experience behind me, I believe that I am ready for duty at Treasury, with a full, deep understanding of the interaction of the Executive and Legislative Branches and how they work together to meet the needs, the concerns, and the interests of the people who elected our leaders and whom we are called upon to serve.

The job of Treasury's Assistant Secretary for Financial Institutions is particularly well-suited for such a background. Nearly all of our financial institutions are overseen by regulators with varying degrees of institutional independence, placed somewhere between the two branches of Government. I believe they have been so situated to meet two very important goals—to minimize political influence in the regulation of our financial institutions while retaining adequate accountability over the regulators. That accountability can best be maintained, then, in cooperation between the two branches, addressing the issues on the basis of principles and sound policies. And while that may seem nice to say in theory, it has been my experience that it works that way in practice. And if confirmed, it is my intention to continue that productive tradition.

Thank you again for holding this hearing, and now I would be pleased to respond to any questions you may have.

Chairman SARBANES. Well, thank you very much for a very thoughtful statement.

Ordinarily, we subject nominees to policy questions and so forth. But I think transcending that is to take a measure of people's character and commitments to the workings of our democratic institutions. We have had more than ample opportunity to do that in Wayne Abernathy's case. For myself, I am quite prepared to move forward without any questions. And I will defer to any of my colleagues who may have questions.

[No response.]

If not, Wayne, we thank you very much and we will excuse you, and we will move on to our mark-up.

Mr. ABERNATHY. Thank you very much, Mr. Chairman.

Chairman SARBANES. We are delighted to have seen your family and to have them here with you.

Mr. ABERNATHY. Thank you.

[Applause.]

[Whereupon, at 3 p.m., the Committee concluded the nomination hearing of Wayne A. Abernathy.]

[Prepared statements, biographical sketch, response to written questions, and additional material supplied for the record follow:]

PREPARED STATEMENT OF SENATOR RICHARD C. SHELBY

Mr. Chairman, I want to commend you for facilitating the Committee's rapid consideration of Wayne Abernathy's nomination for the position of Assistant Secretary of the Treasury for Financial Institutions.

It is not very often that we consider a nominee with whom we are as familiar as we are with Wayne. For years now, I, as well as the other Members of the Committee, have had a firsthand opportunity to observe his efforts as a member of the Committee staff. Through his tenure, he has demonstrated that he possesses a significant intellect, considerable wisdom, strong character, and a tremendous work ethic. Wayne's service to the Committee has been outstanding and I would like to commend and thank him for it. Needless to say, someone with Wayne's qualities will be truly missed on Capitol Hill. However, our loss is the Administration's gain. I am supremely confident that he will provide President Bush and Secretary O'Neill with the same level of excellent service that he afforded Senators Garn, Gramm and all the Members of the Committee.

Again, I want to thank Wayne for his contributions as a member of the Committee staff, and to wish him good luck on his next endeavor.

PREPARED STATEMENT OF SENATOR CHUCK HAGEL

I strongly support the nomination of Wayne Abernathy to be Assistant Secretary of the Treasury for Financial Institutions. The expedited process to confirm Wayne is a testament to the respect he has gained from colleagues and Senators.

Wayne's staff leadership on the Senate Banking Committee over the past 3 years has been marked with significant accomplishments—from the substantial Financial Services Modernization Act, to dozens of trade, banking, and housing bills. Through Senator Gramm, Wayne has been a great defender of the free markets. The Department of the Treasury will greatly benefit from his experience and wise command.

We have all benefitted from Wayne's guidance over the years. His presence will be missed at the Senate Banking Committee.

PREPARED STATEMENT OF SENATOR JIM BUNNING

Thank you Mr. Chairman, I want to thank you for holding this hearing on the nomination of Wayne A. Abernathy, and quickly moving on the President's nominee. I also want to thank you for the mark-up of the important housing bills we will move today. I would like to welcome Wayne this afternoon, and not only thank him for his service to this Committee, but also for his willingness to continue to answer the call to public service. Obviously, we all know Wayne very well. Although his departure will be a great loss to the Banking Committee, he will be a great asset to the President at the Treasury Department.

You have been nominated for a big job. But I am more than confident that you are up to it. Your service to this Committee speaks for itself. I believe the President could not have picked a better man for the job. You are well deserving. As I said in our meeting earlier this week, anyone who has worked for Senator Phil Gramm as long as you have deserves something good.

I am also glad we are going to be marking up these small, but important housing bills. I am a proud cosponsor S. 2239, the FHA Down Payment Simplification Act. I believe S. 2239 will help get more people into their homes, a goal we all support. I will also support S. 1210 the Native American Housing Assistance and Self-Determination Act. I look forward to hearing from our good friend Wayne Abernathy and trust the Committee will support his nomination and these important housing bills.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF WAYNE A. ABERNATHY

NOMINEE FOR ASSISTANT SECRETARY OF THE
TREASURY FOR FINANCIAL INSTITUTIONS

SEPTEMBER 12, 2002

Chairman Sarbanes, Senator Gramm, Members of the Committee, by custom, I should thank you for holding this hearing on my nomination, and for doing so in such an expedited fashion—and I am indeed grateful for that—but I would like to take the liberty to depart from that custom. I would begin by thanking you and the

Members of the Committee for the privilege I have had for some 20 years to serve you and the many other Senators who have been Members of this Committee, and to thank you for the many considerations that you have extended to me during that time. I would tender that appreciation also to my colleagues on the staff, from my first staff director, Danny Wall—Chairman Jake Garn's Chief of Staff—to Steve Harris today, and to the many talented and dedicated professionals who have worked with us.

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And so now I express my gratitude to President Bush for extending to me the opportunity to serve the people of this Nation in a new and challenging capacity. I am eager to begin working in his Administration, with the team of outstanding people he has brought together. I am grateful for the support that I have received from Treasury Secretary O'Neill, Deputy Secretary Dam, and Under Secretary Fisher. Having worked from the late 1970's until now on the making of laws affecting our financial institutions, I feel prepared to become involved in the administration of those laws, with the keen insight of experience into the intentions of the Congress in their making.

In one of the several interviews I went through for this job, the discussion moved to my feelings about the Congress. My thoughts turned to a time, when I was just a young, rather junior member of the staff of this Committee. I was thinking of a warm evening, when I had left the Capitol building to walk back to my office. The Senate had just ended the day, passing legislation that I had been working on—I think it was a bill amending the Export Administration Act. It was one of those beautiful nights, with the white dome of the Capitol gleaming against the dark sky. While charmed by the beauty of the scene, I was even more exhilarated by the experience I had just left. I was thrilled by the thought, the overwhelming sense of the power of our Constitution, *that it works*, that 100 men and women, from all parts of the country, elected by their fellow citizens to represent their States, had come together here and made a decision that was now the law of the land for over 200 million people. That thought still exhilarates and charms me. It has been a privilege to lend a hand in that process.

And now, with this deep and broad experience behind me, I believe that I am ready for duty in the Treasury Department, with a full, deep understanding of the interaction of the Executive and Legislative Branches and how they work together to meet the needs, concerns, and interests of the people who elected our leaders and whom we are called upon to serve.

The job of Treasury's Assistant Secretary for Financial Institutions is particularly well-suited for such a background. Nearly all of our financial institutions are overseen by regulators with varying degrees of institutional independence, placed somewhere between the two branches of Government. I believe that they have been so situated to meet two important goals: to minimize political influence in the regulation of our financial institutions while retaining adequate accountability over the regulators. That accountability can best be maintained, then, in cooperation between the two branches, addressing the issues on the basis of principles and sound policies. And while that may seem nice to say in theory, it has been my experience that it works that way in practice. And if confirmed, it is my intention to continue that productive tradition.

I would be pleased to answer any questions that you may have.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES
--

Name: Abernathy

(Last)

Wayne

(First)

Allen

(Other)

Position to which nominated: Assistant Secretary of the Treasury (Financial Institutions)

Date of nomination:

Date of birth: 1 June 1956

(Day) (Month) (Year)

Place of birth: Colorado Springs, Colorado

Marital Status: Married

Full name of spouse: Cynthia Rotz Abernathy

Name and ages of children: Ada Elizabeth Abernathy (19)

Cynthia Diane Abernathy (17)

Catherine Anne Abernathy (15)

Joseph David Abernathy (12)

Peter Jacob Abernathy (6)

Education:

Institution	Dates attended	Degrees received	Dates of degrees
The Johns Hopkins University	1974-1978	BA	1978
School of Advanced International Studies The Johns Hopkins University	1977-1979	MA	1980

Honors

and awards:

List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Various undergraduate scholarships, connected with need-based financial assistance.

BA Degree awarded with General and Departmental Honors

Omicron Delta Kappa National Leadership Fraternity (honorary)

1978-1979, Public Service Fellowship, Department of Health, Education, and Welfare

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
American Society of International Law		1977-1979
Brady's Michigan Sharpshooters (Civil War Reenacting organization)		1997-present
	Captain	1999-2001
Greenbriar Community Pool		1985-present

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

Senate Staff, Committee on Banking, Housing, and Urban Affairs, United States Senate	1981-1986
Senate Staff, Office of Senator Phil Gramm, United States Senate	1987, 1988
Senate Staff, Committee on Banking, Housing, and Urban Affairs, United States Senate	1989-present
Staff Director, Subcommittee on Securities	1995-1998
Staff Director	1999, 2000
Republican Staff Director	2001-present

Government

experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

Senate Staff, Committee on Banking, Housing, and Urban Affairs, United States Senate	1981-1986
Senate Staff, Office of Senator Phil Gramm, United States Senate	1987, 1988
Senate Staff, Committee on Banking, Housing, and Urban Affairs, United States Senate	1989-present
Staff Director, Subcommittee on Securities	1995-1998
Staff Director	1999, 2000
Republican Staff Director	2001-present

Published

Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

(Other than reports or other materials published as part of my duties on the staff of the Senate):

Wayne A. Abernathy, "Strategic Trade," in Stuart M. Butler, Michael Sanera, and W. Bruce Weinrod, editors, *Mandate for Leadership II: Continuing the Conservative Revolution* (Washington: 1984), p.277-281.

Wayne A. Abernathy, "How Export Controls Defend the National Interest," The Heritage Foundation Backgrounder No. 589, June 30, 1987.

Wayne A. Abernathy, "Strategic Trade," in Charles L. Heatherly and Burton Yale Pines, editors, *Mandate for Leadership III: Policy Strategies for the 1990s* (Washington: 1989), p.776-782.

Political

Affiliations

and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Member, Fairfax County Republican Committee (Fairfax County, Virginia), 1992-1998

Republican Chairman, Virginia 67th Legislative District, 1995

Volunteer Republican precinct worker, nearly every general election (and some special elections and primaries), handing out literature at local polling place.

Political

Contributions: Itemize all political contributions of \$500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.
None.

Qualifications: State fully your qualifications to serve in the position to which you have been named.
(attach sheet)

Future employment

relationships: 1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.
Yes.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.
None.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

The position has no fixed term; service is at the pleasure of the President.

Potential conflicts

of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

No conflicts identified.

**Civil, criminal and
investigatory**

actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

The only Federal investigations of which I am aware have been in connection with background investigations for security clearances.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None.

Qualifications

For more than fifteen years I have been closely involved with virtually every piece of federal legislation regarding financial institutions. That is a period that witnessed both the low points and the high points for the industries, from the savings and loan and banking crises of the late 1980s through the enactment of the historic Gramm-Leach-Bliley Act. It embraces the watershed transformation of these industries that is taking place today.

This experience includes appropriate consultation with and oversight of the regulatory and administrative activities of the nation's financial agencies. The breadth of my activities has encompassed every form of financial institution, including whether the institution was federally or state chartered, a small home town bank or a large diversified financial services corporation.

My service on the staff of the Congress has given me a deep understanding and appreciation for the various roles of the legislative and executive branches, together with the independent agencies, in formulating and carrying out national policies. It has brought me into contact with a wide array of people affected by or involved in these industries from all across the country, from the consumers of financial products to the men and women who lead the companies who provide those products.

**RESPONSE TO WRITTEN QUESTION OF SENATOR AKAKA
FROM WAYNE ABERNATHY**

Q.1. As you know, financial literacy is a subject of great importance to many Members of the Banking Committee. Please describe your thoughts on the importance of financial literacy, describe the appropriate role for the Department of the Treasury to increase the financial literacy of the public, and what will you do to improve the financial literacy efforts of the Department of the Treasury?

A.1. I know from several public remarks made by Treasury Secretary O'Neill that he shares the concern that you, Chairman Sarbanes, and other Members of the Committee have for promoting financial literacy. I share that interest as well. Early in my career on the staff of Senator Jake Garn I was frequently dismayed when I heard of serious financial problems in which people found themselves that I believed could have been avoided had they had a better understanding of basic economic and financial matters.

In my service with Senator Gramm I became acquainted with the excellent financial and investor literacy program designed by the Texas State Securities Board. The Texas State Securities Board has been very successful in introducing their Teaching Guide in high schools throughout the State, with over 2,000 copies of the guide placed in schools so far. This, and similar programs, can be models for efforts elsewhere.

I have had the opportunity of guest lecturing at schools at the elementary, middle school, and high school levels, and I have always found the children eager to learn. These are matters that they can understand, that they want to learn, and that our children need to know in order to be successful adults.

I believe that high school is the best (though not the only) place to target our efforts. It is where we can have the greatest results. High school students are thinking about financial matters. Many have jobs; virtually all are considering what their careers will be. They worry about whether they will have the finances for college and other post high school education. They are eager and able to learn. Basic financial and economic education after high school can be important as well, but in many cases we are already at that point talking about remedial education, working with people who have already gotten into financial difficulties that could have been avoided or who have established habits that are difficult to leave.

Perhaps most significant as a measure of the emphasis of the Treasury on financial and economic education has been the creation of the institutional support for an ongoing, sustainable effort. In May, Secretary O'Neill announced the establishment in the Treasury of the Office of Financial Education, led by a Deputy Assistant Secretary. That Office organized a panel discussion with national youth education groups in May to explore the opportunities and obstacles associated with integrating financial education into math and reading curricula, and will be releasing a White Paper on the topic soon. I am pleased that, if I am confirmed, this Deputy Assistant Secretary will report to me. I look forward to working closely with her and with the Congress, and with the many excellent private sector programs, to achieve accelerated progress in our efforts.



September 11, 2002

The Honorable Paul Sarbanes
Chairman
Committee on Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Sarbanes:

The Conference of State Bank Supervisors (CSBS) applauds your expeditious action on the nomination and confirmation of Wayne Abernathy for the position of Assistant Secretary for Financial Institutions at the Department of Treasury.

It would be difficult, if not impossible, to imagine anyone more qualified for the position. Mr. Abernathy's knowledge of U.S. banking and securities law is broad and deep. We especially appreciate his understanding and respect for our dual system of bank chartering and regulation.

As a nation, we are fortunate to have an individual with Wayne's abilities so dedicated to public service.

We urge the Committee and the full Senate to move quick confirmation of Wayne Abernathy.

Best personal regards,

Neil Milner
President and CEO

cc: Senator Phil Gramm
Ranking Member

C O N F E R E N C E O F S T A T E B A N K S U P E R V I S O R S
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WILLIAM J. DONOVAN
Senior Vice President
General Counsel

September 11, 2002

The Honorable Paul Sarbanes
Chairman
Committee on Banking, Housing and Urban Affairs
United States Senate
Washington, DC 20510

Dear Chairman Sarbanes:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national association exclusively representing the interests of our nation's federal credit unions, I am writing to express our strong and unqualified support for the nomination of Wayne Abernathy to be Assistant Secretary of the Treasury for Financial Institutions.

NAFCU has had the opportunity to work with Mr. Abernathy on a number of public policy initiatives over the years. Not only during his tenure as Staff Director of the Committee on Banking, Housing and Urban Affairs, but throughout his career of public service, we have consistently found Mr. Abernathy to be fair-minded and even-handed, always accessible and willing to hear all viewpoints on issues. As representatives of the credit union community here in our nation's Capitol, NAFCU has been particularly appreciative of Mr. Abernathy's recognition of the critically important role credit unions, as member-owned financial cooperatives, play in the delivery of consumer financial services to so many of our nation's citizens. While we are sorry to see him leave the Banking Committee, we have no doubt that he will assume an even greater role in shaping our nation's public policies concerning financial services issues as Assistant Secretary of the Treasury for Financial Institutions. Our country is well-served when men and women of Mr. Abernathy's intellect, character and integrity dedicate their lives to public service.

Thank you, Mr. Chairman, for allowing me this opportunity to share NAFCU's comments in support for the nomination of Mr. Wayne Abernathy. We urge you and your colleagues to act swiftly in confirming him for his new office.

If you or your staff has any questions concerning NAFCU's views in regard to this nomination, please don't hesitate to contact me.

Best personal regards,

cc: The Honorable Phil Gramm



CUNA & Affiliates
A Member of the Credit Union System

Daniel A. Mica
President & CEO

**Credit Union
National Association, Inc.**

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September 12, 2002

Senator Paul Sarbanes
United States Senate
309 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Sarbanes:

On behalf of the Credit Union National Association (CUNA) and the nation's 82 million credit union members, I commend you for moving expeditiously on the nomination of Wayne Abernathy for assistant secretary for financial institutions of the Treasury Department. CUNA strongly supports his nomination and we are confident that Wayne will be a valuable asset in implementing the policies of the Treasury Department.

We have known Wayne to be a fair-minded, open public servant for many years. There is every reason to believe that his calm, but measured, approach to policy will serve him and our nation well as he embarks on a new chapter of his public service career.

Sincerely,

Daniel A. Mica
President & CEO

